

Aspirations Deferred:
Applying Sen and Appadurai to Gentrification and Urban Development in the U.S.

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Contents

| | |
|------------------------------------------------------------------------------------|----|
| Introduction | 3 |
| Chapter 1: Literature review | 5 |
| Section 1: Context within literature | 5 |
| Section 2: Critical framework | 6 |
| Chapter 2: Origins of gentrification | 9 |
| Executive Summary | 9 |
| History | 9 |
| Theory | 11 |
| Chapter 3: Segregation, Integration and Flight | 13 |
| Executive Summary | 13 |
| History | 13 |
| Theory | 16 |
| Chapter 4: Concentrated poverty and the transition to the marketplace | 17 |
| Executive Summary | 17 |
| History | 17 |
| Theory | 19 |
| Chapter 5: Gentrification | 21 |
| Executive Summary | 21 |
| History | 21 |
| Theory | 24 |
| Chapter 6: The block today | 26 |
| Executive Summary | 26 |
| History | 26 |
| Theory | 29 |
| Conclusion | 33 |
| Works Cited | 35 |

Introduction

Over the course of the Twentieth, and now Twenty-first Centuries, America has seen a profound drama play out in its cities. Having embraced the goal of creating integrated cities, it has seen once mighty bastions of wealth descend into decades of decay, as affluent, white communities took their capital to the suburban periphery, leaving the urban core in shambles. However, as the last century came to a close and the new one began, white wealth returned. Scholars believed that this re-development could bring, not only economic renewal, but also a social re-birth for impoverished communities that had fallen prey to pathologies, in the midst of their depravity. By and large, this transformative synthesis has not manifested itself. Instead, the vestiges and continuing legacy of historical, racial injustice have conspired to permit deep, social fissures to endure. Ultimately, the merging of demographic groups have actually worsened the condition of the low income communities it was supposed to revive. They find themselves more alienated and endangered than ever before. By exploring this history, we can begin to understand why.

Before I begin this analysis, I will acknowledge one thing. Recent history has shown that gentrification is not solely a racial phenomenon. Middle-class African American have found themselves, at times, displacing long-tenured residents, and low-income white communities have found themselves displaced. This paper, however, focuses on the relationship between historical racial policies and their impact on modern gentrification. The intention of this emphasis is not to diminish the plight of white residents displaced by gentrification. Rather, it is an acknowledgment of the peculiarities of low income communities of color's experience with urban, economic development. By analyzing these peculiarities, we can better understand the broader context in which all gentrification takes place.

The structure of this paper proceeds as follows. It begins by situating itself within the broader scholarly discourse on gentrification and then provides a theoretical framework for analyzing the efficacy of any development effort. To do this, it employs the work of Sen and Appadurai, to help explain development as the development of people, rather than the development of place. Then, it lays out the historical context for modern, American gentrification. First, by examining the transformation of Paris which has served as a model for urban re-development ever since. Second, it shows how U.S. policy created and now chips away at the American slum. Finally, it returns to Appadurai and Sen to analyze how policies of urban development have failed to provide low income communities of color with the capacity to aspire and the freedom that development ought to impart.

Chapter 1: Literature review

Section 1: Context within literature

It is important to contextualize the analysis of this paper within the existing scholarly discourse on gentrification. While there is broad disagreement on normative statements as to whether the phenomenon is “good” or “bad,” these arguments have largely centered on the question of whether or not gentrification necessarily entails the displacement of long-tenured, low-income residents. To the extent that it does, these arguments have examined how displaced residents’ satisfaction with their new housing options compares to their satisfaction with their new accommodations compares to their views on their previous residence. Lastly, there is ongoing disagreement about where the population engaging in gentrification is coming from and where the displaced settle, post-gentrification.

Views on these questions are mixed. Atkinson (2004) maintains fidelity to a conceptualization of gentrification that *by definition* entails displacement. However, Freeman (2005) holds that the rate of mobility among low-income residents is in fact *lower* in gentrifying neighborhoods. Low-income residents, grateful for the improvement in public services, choose to pay more of their income to reside in gentrified neighborhoods¹. While he has since moderated his stance on the matter (Davidson 2014), following widespread criticism, he maintains that an inherent assumption that displacement will occur as a result of gentrification is unwarranted. Lastly, even though Goetz (2011) notes that low-income recipients of housing vouchers, displaced by the redevelopment of former public housing sites, often wind up in other, equally low-income and racially segregated neighborhoods, Vigdor (2002) points to survey data that

¹ It should be noted that, in some cases, his qualitative analysis of gentrifying neighborhoods found evidence of resentment among tenured residents about the fact that those supposedly “public” and universal services did not improve until more affluent moved in, implicitly suggesting that those original inhabitants are less deserving members of the body politic.

indicate that displaced individuals often express equal, if not greater satisfaction with their new accommodations.

The analysis found within this paper builds off this discourse, but is not contingent on the assertion of any definitive declarations about the necessity of including displacement in our understanding of gentrification. It acknowledges the fluid nature of neighborhood change and the possibility that gentrification might manifest itself differently in various geographic and temporal contexts. Instead, it places its emphasis elsewhere. Namely, this analysis endeavors to place current patterns of gentrification within the context of a larger narrative of integration and segregation, in American residential patterns witnessed over the course of eight decades. Regardless of whether it results in displacement or not, gentrification necessarily entails at least some period of integration, even if it is merely a mid-point between two equally-segregated equilibria. Its aim, therefore, is not merely to gauge whether or not gentrification causes displacement. Its aim is to assess whether or not the dispersion of concentrated poverty has yielded the type of human development advocated by Sen and Appadurai, along with the acculturation of the poor predicted and supported by critics of concentrated poverty.

Section 2: Critical framework

At the heart of this paper is the notion of what it means to develop a neighborhood and its inhabitants. On this point, its analysis diverges from what has become the orthodox understanding of development, which holds that “[G]rowth has been much more of a lifesaver to the poor than redistribution” (Easterly 2001, 14). For this cosmology, the metric of income, in its various permutations (personal, national, regional annual median) has assumed an almost holy status as an infallible metric of progress. The difficulties of producing a comprehensive assessment of particular real income—one that is adjusted for the cost of living in each

respective region as opposed to one that is compared to a national inflation rate—has led development theorists to resign themselves to letting income data speak for itself.

This analysis, however, draws on a more robust conceptualization of development, as laid out by Appadurai and Sen. Sen, for his part says we ought to think of development in terms of people having the freedom to live the life they deem valuable. As he points out, African Americans have incomes that far exceed those of their counterparts in places such as China and India, and yet consistently see worse outcomes (Sen 1999). This is because, “The usefulness of wealth lies in the things it allows us to do—the substantive freedoms it helps us achieve.” Income must be taken in the context of the cost of living and a broader political and cultural context that serves to either limit or expand the opportunities available to the poor.

Appadurai (2004) casts development in terms of “the capacity to aspire,” the ability for the poor to plan, grow and exercise agency in society. While they continue to do all of those things, he argues that “Part of poverty is a diminishing of the circumstances in which these practices occur” (*Ibid.*). In its assessment of the gentrification that has occurred in American cities over the course of the past two decades, this paper seeks to hold those trends to Appadurai’s standard for what true development entails. If economic development in modern U.S. cities is in fact this truest form of development, then the marginalized populations of those cities should see a heightened capacity to aspire. As my analysis shows, that is simply not the case.

Lastly, as it addresses economic development in an American context, this paper wrestles with the concept of integration. Rather than treating gentrification as a novel phenomenon, it endeavors to place recent trends in a broader trend of segregation, integration and re-segregation that has characterized the residential patterns of this country throughout its history. By necessity,

therefore, I analyze the role that hegemonic discourse about the socialization of the “underclass” (Wilson 1987) has played in shaping economic development and displacement in cities around the country.

Chapter 2: Origins of gentrification

Executive Summary

Chapter 2 uses the historical example of Nineteenth Century Paris as an archetype for understanding urban, economic development. It is a model rooted in the notion that poor residents are the impediments to development, rather than its intended beneficiaries. Haussmann and Paris inspired subsequent generations of urbanists and, as a result, the sins of that rebirth are repeated throughout the subsequent history of development contained within this paper.

History

To find the origins of gentrification, one must look to Nineteenth-Century Paris. At mid-century, the City of Lights was anything but. As Kunstler pithily puts it, “[Paris] was a political tinder box, a continuing public health catastrophe, an unfit place for business” (Kunstler 2001). The concerns of health, political control and economic viability were the three legs of stool of Paris’s reform and have since become enshrined as the boilerplate for critics of urbanity. Over time these concerns would meld and become metaphors for one another, in order to serve the interests of the privileged and marginalize the poor.

The central figure in the reformation (literally) of the city, was the prefect of the Seine, Georges Eugène Haussmann. From 1853 to 1869, he oversaw a series of public works initiatives that would revive the city, but displace countless working class and establish the prototype for countless urban renewal efforts to come. At the outset of his efforts, he had his work cut out for him. As stated, the city was politically unstable, with the fomenting of successive revolutions. These revolutionary tendencies were “concentrated in densely packed, working-class *quartiers*, which...had complex, illegible street plans” (Scott 1998). The structural lay-out of these neighborhoods made them a thicket, out of reach from political authority.

Similarly, the sanitary conditions of the city were abhorrent. Without any infrastructural modernization from its medieval origins, the streets of Paris became a cauldron of disease.

Sewage from chamber pots was often simply dumped into the streets, imbuing the city with an inescapable stench and a monumental mortality rate. In the lead-up to the ascendance of Haussmann, the city had paid dearly for its lack of sanitation. There had been two, successive cholera epidemics in 1832 and 1849, resulting in the deaths of 20,000 and 19,000 Parisians, respectively (Kunstler 2001). It was in the densest and poorest slums that the city saw the highest death tolls.

In response to this bleak reality, Haussman embarked on an ambitious agenda of radical public works projects. In accordance with Enlightenment thinking, which “looked with enthusiasm on straight lines and visible order” (Scott 1998), Haussman broadened narrow roads into broad boulevards, installed a comprehensive sewage system that was so grand it was a sightseeing hit at the 1867 Paris International Exposition, and utilized the technology of Roman aqueducts to at long last bring clean drinking water to the City. The straight, thoughtfully-laid grid enabled soldiers to expeditiously travel to disparate corners of the city to combat any sparks of revolution.

Whatever empirical benefits resulted from his designs, it would be a grave error to cast Haussmann as objective and apolitical. He wrote that the working poor, who comprised the majority of the city “were nomadic renters, with no stake in their neighborhoods, prone to excessive drinking, easily excited by transitory emotion, and subject to the manipulations of communist demagogues” (Kunstler 2001). With that attitude in mind, it should come as no surprise that Haussmann conceived of those communities as the impediments to, and not the intended beneficiaries of, his remaking of the city. To make way for his sewers, boulevards and parks, he displaced thousands of poor Parisians, all in the name of progress.

In the wake of this displacement came gentrification. The *bourgeoisie* moved into those neighborhoods and renovated the abandoned buildings they found there. Soon, the city was a model for urbanism. The broad boulevards, bathed in the sunlight that had been unable to pierce through the slums, were lined with ornate apartment buildings with ground level cafes. These boulevards were greened and parks were built to give city-dwellers a taste of the countryside that now lay miles away. It was in this way that Haussmann brought about the Paris, now cherished around the globe as a city of love and light.

The efficacy of using Haussmann as a point of departure lies in the fact that the redevelopment of Paris became the prototype for urban redevelopment and the genesis of gentrification. Indeed, it is not just Haussmann, but his contemporaries, as well, who played out the drama that repeats itself to this day. Smith (1996) terms this drama the rise of the “revanchist city,” invoking the French elites of the late Nineteenth Century. *Revanche* is French for revenge, and over the course of three decades, this elite exacted revenge against the working classes they believed had caused a downfall in the fortunes of France. Paris, therefore, offers the first great example of how economic development weds itself to social division.

Theory

Sen argues that, “In the freedom-oriented perspective, the liberty of all to participate in deciding what traditions to observe cannot be ruled out by the national nor local ‘guardians’” (Sen 1999). Using Haussmann’s redevelopment of Paris as a point of departure for understanding American segregation, gentrification and economic development is useful, because it lays out the basic prototype for subsequent development. In this model, the poor are not the targets of development, they are the impediments to it.

Even Haussmann's contemporaries could see this fundamental flaw in his approach to development. Engels (1872) used Haussmann as the archetype of a larger, all-too prevalent phenomenon:

By "Haussmann" I mean the practice, which has now become general, of making breaches in the working-class quarters of our big cities...irrespective of whether this practice is occasioned by considerations of public health and beautification or by the demand for big centrally located business premises or by traffic requirements, such as the laying down of railways, streets, et cetera....This is a striking example of how the bourgeoisie settles the housing question in practice. The breeding places of disease...in which the capitalist mode of production confines our workers are not abolished; they are merely shifted elsewhere.

A number of crucial points need to be highlighted in Engels's analysis. First, it is the quarters of the working class that are targeted for placing down public improvement. With the poor under the complete sway of their "guardians," as Sen refers to them, they are unable to lobby for the burden of making way for public improvement to be shared equally among the various strata of society. Second, the justification for the eradication of poor communities need not be one of the human development of the poor themselves. The betterment of the elite is justification enough. Finally, there is no compulsion to actually address the well-being of the poor. The engineers of development can fix their gaze on the physical place. When the poor are swept away, these guardians can delude themselves into the belief that the plight of society as a whole has been ameliorated. These themes will persist.

Chapter 3: Segregation, Integration and Flight

Executive Summary

Chapter 3 chronicles the nascent years of American housing policy. The era detailed involved a cyclical transition from segregation to integration and an ultimate return to segregation. The chapter shows how these original policies were inextricably shaped by the nation's commitment to racial division. This reality had enduring impacts on the accumulation of wealth for white Americans, the lack of it for their black countrymen, and the cumulative impact of these policies shaped both groups' respective capacity to aspire, for decades to come. Moreover, the white flight that was induced by forced integration is herein reviewed, as it ultimately yielded the urban ghettos that now host gentrification.

History

In 1934, Congress established the Federal Housing Administration (FHA). Its charge was to help Americans achieve the dream of homeownership, in the face of the Great Depression. However, in keeping with the tendencies of most New Deal policies, it was a supposedly progressive initiative that ultimately deepened racial iniquity in this country (Coates 2014). Its preferential treatment of white homeowners would lay the groundwork for a massive accumulation of wealth for white Americans and an equally sizeable loss of wealth for their black countrymen. Ultimately, it would initiate the early stages of white flight and the housing disparities that followed.

A practice known as “redlining” was the primary tool for initiating this racial regime. The FHA’s major contribution to American homeownership was its willingness to cover mortgage insurance, which had previously made homeownership cost-prohibitive for many Americans. However, the agency drew up color-coded maps of the country’s housing markets. Those neighborhoods that were deemed to be stably white were given an “A” rating, and readily received credit. Conversely, predominantly black or transitioning neighborhoods were given a lower grade and were outlined in red on the agency’s maps, signifying that those neighborhoods

either would not receive credit or that credit would only be given to black homeowners, thus perpetuating segregation (*Ibid.*).

While redlining began as a government policy, it was quickly adopted by private mortgage brokers, as well (*Ibid.*). Knowing that an influx of black families would cut off financing for the neighborhood, real estate brokers vowed not to show black families homes in stable white neighborhoods. In rare instances where black families were able to secure housing in white neighborhoods, they often faced violence at the hands of white neighbors who were either ideologically opposed to integration or riddled with anxiety at the prospect of losing home value, as a result of their neighborhoods' changing ethnic composition.

While middle class, white Americans were accumulating asset wealth in the form of homeownership, housing for black Americans not willing or able to endure discrimination in the private market was increasingly being provided in the form of public housing. Though theoretically conceived of as a service for Americans of all races, many cities, such as Chicago, began instituting income requirements that displaced lower income white families who had been on the higher end of eligibility, making housing projects almost exclusively black (Goetz 2011). In so doing, the Federal government, in tandem with local partners, enshrined spatial segregation and wealth disparities as a fundamental part of American life.

The nature of the relationship between the Federal government and those local partners was equally impactful in shaping these racial dynamics. Initially, the provision of public housing was structured as follows. The Federal government provided Local Housing Authorities (LHAs) with the funds necessary for the construction of public housing projects. LHAs, in turn, were given discretion over where these projects were constructed and charged with using rent revenue to cover operating expenses. Responding to public anxiety about an influx of low-income

residents of color, LHAs elected to construct projects in parts of metropolitan areas that were already heavily black and low-income (Quigley 2000). Moreover, mindful of the aforementioned obligation to cover operational expenses, LHAs constructed projects in ways that would minimize the cost of upkeep, including small windows and heavy, concrete material (*Ibid.*). The result was an inventory of inhospitable abodes for the nation's marginalized populations.

Lastly, in 1949, Congress reauthorized authorization for the provision of public housing, in a way that would radically transform the country. Though it espoused the goal of "a decent home and a suitable living environment" (Quigley 2000) for all Americans, its political support was in fact built upon its capacity for furthering the cause of slum clearance (Goetz 2011). The law coupled authorization of public housing construction with a greater mandate for municipalities to displace residents, in areas deemed to be blighted. With black communities trapped in the urban core as they confronted ongoing discrimination in the housing market, their neighborhoods could be consolidated into housing projects and then cleared for re-development.

With New Deal-era policies initiating the suburbanization of White America and trapping Black America in the urban core, American cities increasingly, proportionally, became increasingly poor and black (Frey 1979). When the Supreme Court ruled in 1954's *Brown v. Board of Education* that separate was never equal and states had an obligation to provide integrated public education, white desire to utilize federal assistance for fleeing the city intensified. While studies found that white flight following *the experience* integration tended to stabilize, in the lead-up to the integration of local school white anxiety over *the prospect* of integration triggered an unprecedented exodus (Rossell 1975).

Theory

Appadurai (2004) tells us that, “I am not saying that the poor cannot...plan or aspire. But part of poverty is a diminishing of the circumstances, in which these practices occur...Where these pathways do exist for the poor, they are likely to be more rigid, less supple and less strategically valuable.” Despite the devastation of the Great Depression, the New Deal was an era in which interventions by the Federal Government greatly expanded white America’s capacity to aspire. The opportunity to own a home, for those white Americans, meant the opportunity to begin accumulating asset wealth, not simply for their own benefit, but also as a prerequisite to intergenerational transfers of wealth. To the extent that black Americans had the opportunity to accumulate the same type of assets, it was confined to zones of divestment, ensuring that those assets would depreciate and become a burden, and not a boon to future generations of black Americans.

Chapter 4: Concentrated poverty and the transition to the marketplace

Executive Summary

Chapter 4 examines America as it sat, segregated once more, in the wake of its first effort to integrate. It examines how the deterioration of living conditions in American ghettos, misconstrued as innate, black pathology became the impetus for future approaches to integration. The paternalism of white America in its efforts to reform black communities is examined in terms of Appadurai's understanding of poor populations' attitudes towards dominant social norms. The chapter also introduces the notion of economic development being wed to social reform efforts.

History

As is to be expected, this spatial reordering had a profound economic effect as well.

Many of the inhabitants of black, inner-city neighborhoods were workers who had migrated from the South to the North, in search of manufacturing jobs. By the late 1960s, plants were closing and the industrial job base rapidly disappeared. The result was a major concentration of working class black families, in the inner city, who were vulnerable to structural economic changes at a time of major, structural economic change (Wilson 1987). Consequently, the unemployment and poverty rates in these neighborhoods rose dramatically.

This is not to say there were not jobs, *per se*. In the wake of deindustrialization, there was a massive growth in service-sector jobs. Unfortunately, even if workers in inner city neighborhoods were qualified for these jobs, they were not necessarily able to access them. That is because the majority of the service sector jobs were created in suburbs, exurbs and non-metropolitan areas (*Ibid.*). This concept of distance between jobs and the workforce, known as spatial mismatch, meant that many poor, black workers were left without work.

While there were major economic ramifications for this shift, there were social implications as well. Young African Americans trapped in ghettos were increasingly cut off from their more affluent peers. Consequently, they lost access to social networks that could lead them to finding work and, on an even more basic level, were not exposed to the daily rhythm of

neighborhoods filled with the gainfully employed. They began to experience a socialization process that cut them off from mainstream America (*Ibid.*).

In the absence of gainful employment, many residents began to turn, instead, to crime. By its nature, crime is disproportionately urban. In 1989, it was found that 20% of people living in cities with more than a million people had been victims of crime, the previous year, while less than a tenth of residents in towns under 10,000 had been (Glaeser 2011). Cities are densely packed with strangers and consequently diminish the social pressure that might otherwise inhibit the decision to commit a crime against a fellow citizen.

What happened in the inner-city, however, brought a magnitude that made it categorically unique. Chicago, for example, experienced 195 homicides in 1965. In 1970, that number was 810, and in 1974 it was 970 (Wilson 1987). In 1980, the Robert Taylor Homes projects housed 0.5% of the city's population, but was the site of 11% of its murders, 9% of its rapes and 10% of its aggravated assaults (*Ibid.*). Neighborhoods that had previously been stable, mixed-income communities were beginning to look like war zones.

Both the rise in unemployment and the spike in crime conspired to fundamentally weaken family structure in inner-city neighborhoods. In 1959, single women were the heads of 30% of poor black households, but by 1978 that number had climbed to 74% (Wilson 1987). This was by no means an innate cultural phenomenon. Quite the contrary, marital rates among black Americans had been higher than those for white Americans in the previous decades (Stevenson and Wolfers 2007). However, increasingly black women in the inner city for faced with a cohort of black men who were disproportionately unemployed or incarcerated and were thusly deemed as poor choices as life partners.

The result of these phenomena was that ghettos were no longer seen simply as sites of deep poverty, but also social pathology. Therefore, the dispersion of these blighted communities could be justified, not only on economic grounds, but also as a service to the residents themselves. After all, it was argued, the entrenched behaviors prevented children in these areas from being exposed to dominant social norms and given access to social networks that could lead to economic opportunity.

With anxiety over the social ills, real and perceived, of black, urban communities rising, Federal housing policy began to evolve. In 1965, Congress passed two provisions that served as another inflection point for American housing policy. First, Section 23 allowed LHAs to rent private units as a form of public housing. Second, the Turnkey program opened the door for private developers to propose and manage affordable housing projects. The result was that low-income, black residents of public housing could be dispersed from projects and integrated into the housing market and the former sites of project buildings could be cleared for re-development. Finally, in 1969, Congress ruled that public housing initiatives no longer needed approval from local government. Increasingly, the question was becoming how public housing recipients would fare in the market, rather than under the guardianship of public authorities (Quigley 2000).

Theory

Appadurai draws our attention to the convoluted relationship between the poor and the norms of the society that oppresses them. He notes that, “Poor people have a deeply ambivalent relationship to the dominant norms of the society in which they live... The other side [of this ambivalence] is compliance, not merely surface compliance but fairly deep moral attachment to norms and beliefs that directly support their own degradation” (Appadurai 2004). In the history of race and housing, in the United States, we see these conflicting themes emerge. African

American families were deeply immersed in the cultural affinity for homeownership as not simply an economic, but also a social indicator of self-actualization.

However, as they participated in this cult of homeownership, they began to be drawn into a process that would undermine the economic and social well-being of both the ghettos that developed in the wake of middle-class flight and even the neighborhoods to which the black middle class had moved, once their white neighbors departed, in response. Thus, bereft of economic opportunity, ghetto communities developed their own rhythms. With available jobs trapped in far off suburban communities, from which they were excluded, they made what I would in fact argue was the rational decision to embrace the only economic opportunities that remained, the underground and illicit. Moreover, with black men all too frequently incarcerated or killed, these communities made the equally rational decision to develop familial structures built around the centrality of the mother.

This social deviance, though rooted in rational behavior, drove a deeper wedge between low-income black communities and the dominant white society. Ironically, this creates space for the emergence of what might be termed a racist commitment to integration. In the discourse of this dominant mode of thought, black Americans need to be saved from the influence of their neighbors. This creed lays the groundwork for an approach to development that ruptures the fabric of black communities, supposedly for their own benefit, conveniently making way for massive profits for developers.

Chapter 5: Gentrification

Executive Summary

Chapter 5 shows that gentrification triggered a new wave of integration. Nonetheless, it was a form of integration that was often fleeting and was always rooted in the notion that integration was the process of the lesser (black America) assimilating into the superior (white America) population. As the chapter shows, this conveniently paved the way for massive profits for developers able to infiltrate the former sites of public housing.

History

Examining the social and economic conditions of the ghetto, at the close of white flight, America saw an abundance of social ills. However, a select few saw an opportunity, as well. The socio-political upheaval of the past decades had dramatically reduced the value of land in the urban core. Nonetheless, that land had a latent value in its proximity to the jobs and agglomeration of the center city. For those industrious investors, the gap between the blighted present value of the slums and the potential value, if they could be revived, represented one thing: profit. However, to understand how the inner city was transformed, it is necessary to examine how both delivery of low income housing support and approaches to economic development evolved.

Section 8 of the 1974 Housing and Community Development Act furthered the trends toward privatization that the Federal government had initiated in the 1960s. Section 8 enabled forty year contracts between the Federal government and private developers. The developers would collect 25% of residents' income as rent, with the Federal government picking up the tab for the difference between this revenue and operating expenses. Assured of their profits, landlords did little to maintain their properties or attract residents. When buildings deteriorated, it was simply used as justification to evict residents and hand the property over for private re-development (Quigley 2000).

This last point was incredibly relevant to real estate developers. With job centers clustered in the center city and the mass of higher-income Americans living in suburban communities, many metropolitan areas experienced what Smith (1982) termed the “land value valley.” Going out from the center city, ground rent started high, dropped dramatically as one passed through the slums, and crested again in the suburbs. While the ground rent in the slums was indeed low in reflection of contemporary conditions, its proximity to downtown was an amenity that led to a rent gap, which Smith (1987) defines as the “Gap between the actual *capitalized* ground rent (land value) of a plot of land given its present use and the *potential* ground rent that might be gleaned under a ‘higher and better’ use.” Developers, in short, could buy low and sell high.

However, developers could not transform the projects into luxury lofts on their own; they needed government help. Local authorities needed to agree to turn over the projects to be redeveloped *and* provide significant investment to enable the redevelopment (Goetz 2013). In their pursuit of the latter, developers found a powerful tool, in the form of tax increment financing (TIF). As Weber and O’Neill-Kohl explain, “TIF allows municipalities to designate an area for redevelopment and to monetize the expected increase in property taxes to pay for initial and ongoing expenditures in the area” (Weber and O’Neill-Kohl 2013). The developers found their risk and upfront cost minimized and local jurisdictions could conceivably even make money off the deal. Taken at face value, it looked like free money.

The rise of TIF as a tool for redevelopment had a profound impact on land use and the shape of cities, as a whole. This, in many ways, stemmed from the political clout the developers themselves managed to amass. In many states, they were integrally involved in writing the

legislation and, in some extreme cases, went so far as to represent municipalities at public meetings with citizens (*Ibid.*). A symbiotic, and often corrupt, relationship emerged.

The interests of the developers were clear. Leveraging their political clout, they began “using the crisis of deindustrialization...to normalize the public provision of property tax-based subsidies for general-purpose real estate development” (Weber and O’Neill-Kohl 2013). They lobbied local governments heavily to convince them that the proper response to deindustrialization was not industrial recruitment, but rather commercial real estate development. As Weber and O’Neill-Kohl note, developers’ view of urban ghettos was even more antagonistic:

“It was believed that property could be better sanitized in its empty state, thus eliminating the possibility of blight returning; therefore, blighted areas needed to be removed through massive clearance rather than rehabilitated through additional investment...This kind of physical determinism relieves local governments of responsibility for the more intractable socioeconomic problems that may have led to declining real estate values or abandoned property in the first place.”

Having seen the potential for the dispersal of public housing to give way to profit re-development, federal housing policy continued to shift further toward low income residents being diffuse participants in the marketplace. Claims of social pathology in the ghetto offered a moral justification to buttress a policy adjustment that was also conveniently making private developers and inordinate amount of money. Simply put, it was believed that black Americans needed to be saved from one another. Once they were dispersed, money could be made. After a brief increase in the construction of public housing at the beginning of the 1980s, the rate of new construction began to atrophy (Quigley 2000). In 1987, the Federal government made low income residents’ housing vouchers “portable,” meaning they could be used outside the urban

core for which the LHAs had been chartered, in the white, suburban areas where (theorists would have us believe) they would finally be properly “socialized.”

As a part of this shift, from 1994 to 1998, the Department of Housing and Urban Development embarked on a pilot project called “Moving to Opportunity” (MTO). Families in public housing were entered into a lottery and assigned to one of three groups, either receiving a voucher to move to a low poverty suburb, a voucher with any constraints or no MTO assistance. The results were decidedly mixed. Residents who relocated to the suburbs report high subjective self-assessment of their own well-being, but there were few if any sustained improvements to economic well-being. In fact, in some cases, boys actually saw an increase in behavioral issues in their new environment. Those who received a voucher without stipulations, oftentimes simply moved to proximate high poverty communities of color and saw little improvement in their well-being (Ludwig et al 2013). Nonetheless, the shift to vouchers and tenant-based subsidies went on unabated.

Theory

The evolution of housing policy at this stage illustrates Sen’s conceptualization of local guardians and unfreedoms. He writes that, “Quite often economic insecurity can relate to democratic rights....Authoritarian rulers, who are themselves rarely affected by famines....tend to lack the incentive to take timely preventative measures” (Sen 1999). The landlords who managed affordable units were in no way held accountable to their residents. While there was a market mechanism for these tenants to vacate, expressing their displeasure through market behavior, this often simply served as justification for redevelopment, offering landlords an even bigger profit.

Moreover, if ever there were an antithesis to development as conceived of by Sen and Appadurai, it would be development as conceived of by the proponents of TIF. Urban economic

development ceases to be in any way a discussion of how to improve the well-being of low-income communities of color, which had been marginalized by decades of racist policies. Instead, cities came to view blighted areas as a place to be developed with inhabitants to be dispersed.

Chapter 6: The block today

Executive Summary

Having reviewed the history of American housing policy, Chapter 6 applies the same criticism to modern housing policy and demographic dynamics. It examines why white return has not resulted in the social awakening that theorists predicted. Ultimately, it shows that the combination of the use of police violence to regulate integrated spaces and continued resistance to integration on the exurban periphery conspire to preclude the social integration the country has sought.

History

Where, then, has this combination of suburban vouchers and urban displacement gotten us? Do we find ourselves to be a more integrated and well-adjusted nation? Sadly, the answer is no. All too often, those displaced by the demolition of public housing have moved to other poor communities of color (Goetz 2013). Indeed, poor-nonpoor segregation has increased, from a dissimilarity index of 12.6 in 1990 to 16.8 in 2000 to 18.4 in 2005 (Lichter et al 2012). Living in poorer areas continues to be associated with poorer health, education and employment outcomes. As of 2012, Lichter et al conclude, “Progress is seemingly at a standstill with respect to white-minority segregation, yet concentrated poverty, at least at the neighborhood level, is on the rise” (Lichter et al 2012). Amidst all the shuffling, we have grown no closer.

Indeed, in many ways we have simply moved around. Kneebone (2009) notes that, as cities have gentrified, the suburbs have seen a major rise in poverty, thanks to an influx of the displaced. In the first year of the Great Recession, suburbs added twice as many poor residents (578,000) as did cities (218,000) (*Ibid.*). She notes that, “Between 2000 and 2008, the suburban poor population grew almost five times as fast as the city poor population, so that suburbs are now home to almost 1.9 million more poor people than their primary cities” (*Ibid.*).

In many cases, it is safe to assume that surge in poverty was also a direct result of the subprime mortgage collapse. However, there again, in that crisis, the enduring plague of racial

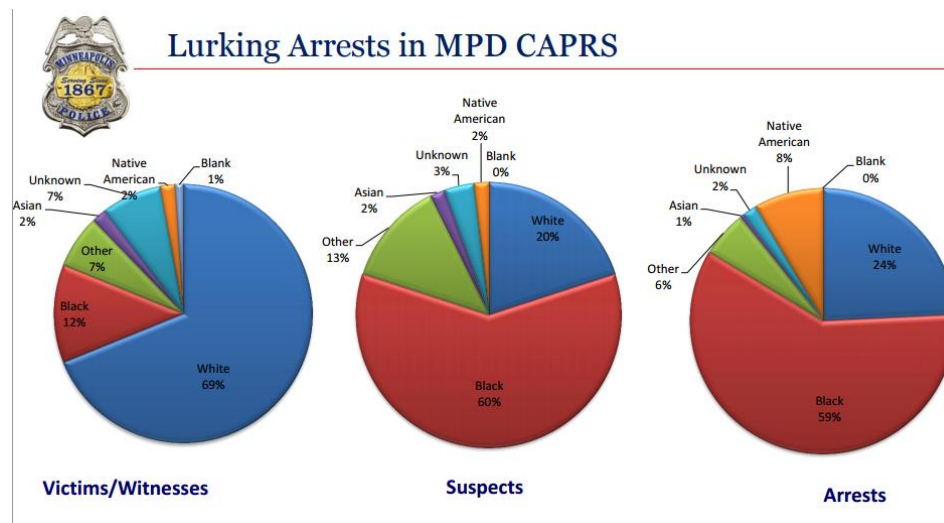
discrimination in the housing market, yet again, showed its continued strength. While the collapse affected all Americans, communities of color were especially hard hit. A 2009 study by the University of Minnesota's Institute on Race and Poverty, found that "Black Twin City residents earning over \$150,000, in comparison to whites earning below \$40,000, were twice as likely to be denied a home loan. Those fortunate (or unfortunate) enough to get a loan were more than three times as likely to have a sub-prime loan" (Hamilton 2009). Having continued to encounter discrimination in the mainstream market, black Americans disproportionately sought out subprime loans, resulting in a disproportionate loss of wealth. In the end, many of them found themselves in poor suburbs rather than poor ghettos, still isolated from their affluent, white countrymen who fled to the city or further out into the exurbs.

Moreover, the current wave of integration—to the extent gentrification has brought that about—has in many cases triggered violence and antagonism, similar to that seen in the integration of the 1950s and 1960s. Whereas, in years past, white vigilantes and state authorities engaged in violence and intimidation, because black people wanted to live in white neighborhoods, we now see discord springing from the fact that white people want to live in black neighborhoods. While it does not come in the form of a burning cross, nor is it even articulated as blatant animus, it still serves the purpose of establishing physical zones as "white space."

For this, let us take an example. The City of Minneapolis enforces laws governing petty crimes, including spitting and what is known as "lurking" or menacing loitering. There is ambiguity at work, as the sight of someone "lurking" is not terribly different than the image of someone simply standing in a public space. It is left to the discretion of the police and the other occupants of that public space to determine the nature of the lurker's (or simple occupant's)

position. In 2014, the ACLU published an assessment of the policing of petty crimes in Minneapolis. It found that, in 2012, blacks were six times more like than whites to be arrested for vagrancy and nine times more likely to be arrested for disorderly conduct (ACLU MN 2014). Before one leaps to indict a racist police force and excuse the informal panopticon, one has to examine the reporting of these crimes, as shown in Figure 1.

Figure 1: Proportion of witnesses, suspects and arrests for lurking, by race (2014)



Source: Minneapolis Police Department 2015

Figure 1 shows even more up-to-date data, from 2014, on the enforcement of anti-lurking laws. As the graphs show, far from being a proportional distribution, individuals reporting instances of lurking are 69% white, while those suspected or arrested for lurking were 59-60% black. The eyes on the street are not color blind. They are profoundly impacted by their implicit biases, and the result is that the commons, those public spaces meant to be shared, are de facto “white” spaces, in which people of color must strive to assimilate.

What happens in the areas where this hegemony is established? They become safe for economic development. Guardians of areas of the city, such as Nicollet Mall, pursue qualitative metrics of making affluent visitors “feel safe.” Where they have succeeded in doing so, the Mall

is lined with high-end bars, frequented by the professional class who work in the urban core and, at long last, live and play there as well. To the extent that low income individuals inhabit, they do so under constant informal surveillance.

Why dwell so long on the issue of criminal justice, in a paper about integration and economic development? The reason is this. Critics of concentrated poverty rightly identified the desperation and isolation it brought about. However, they operated with the implicit assumption that if that concentrated poverty could be dispersed, then the previous inhabitants of those pockets of deep poverty could finally fully integrate into mainstream, American society. They would learn good habits and build social networks that would enable them to attain gainful employment.

However, what the aforementioned analysis of anti-lurking laws shows is that, whether fueled by implicit biases or explicit contempt, racial antagonism persists. If white visitors to Nicollet Mall are calling the cops on their black counterparts simply for being present in that space, it seems reasonable to assume that they are not offering them job referrals. Moreover, the constant scrutinizing that youth of color endure has begun to engender nihilism and pessimism among those youth about whether they could ever have dark skin and be accepted into the American mainstream. This sense of alienation is in fact the very antithesis of the social renewal integration advocates have long predicted.

[Theory](#)

Having situated current development trends of gentrification within a broader narrative of cyclical integration and re-segregation, I now turn to applying the metrics of Sen and Appadurai to the present state of integration and development found in American cities. While aggregate income measures would indicate an overall improvement in the welfare of these cities, my

analysis shows that, if we reflect critically on contemporary trends in gentrifying neighborhoods, it is apparent that the socialization dreamed of by the likes of Wilson and Massey has failed to materialize. How can this be? Freeman (2006) explores gentrifying neighborhoods in Brooklyn and Harlem and finds that, even in those areas where diversity exists, the social ties that were supposed to acculturate and grant opportunity to low income, people of color do not develop.

To understand why, we need to examine the policing of these neighborhoods: how it is supposed to work and how it does. In *The Death and Life of Great American Cities*, Jane Jacobs explains that the most important policing efforts come, not from the police, but from the residents of a community. She explains that, “[The public peace] is kept primarily by an intricate, almost unconscious network of voluntary controls and standards among the people themselves, policed by the people themselves” (Jacobs 1961). Communities, therefore, experience either an upward or downward spiral. In the upward spiral, the presence of an informal panopticon enforcing standards of safety encourages more residents to enjoy public spaces, thereby multiplying its effect. Conversely, if people feel unsafe, they will retreat from these spaces, ceding them to the forces of what Jacobs describes as “barbarism.”

This begs the question, however, of whether Jacobs’ faith in the unconscious mind is warranted. Listening to her, you get the impression that the unconscious is the psychological embodiment of blind justice, with its policing creating spaces welcoming to all. Unfortunately, recent research has shown that the unconscious mind is not home to our instincts towards equality and magnanimity. Quite to the contrary, Bertrand et al (2005) show that our unconscious mind is the sanctuary for latent, implicit biases that, for many of us, would be abhorred and scrubbed away by our conscious mind. That is to say, the police force of the subconscious is prone to racial profiling.

The devastating impact of the excesses of this psychological policing become clear, when they become more explicitly operationalized. In March of 1982, James Wilson and George Kelling, of the Manhattan Institute, published an article in *The Atlantic*, entitled “Broken Windows: The Police and Neighborhood Safety.” In it they outlined a new theory for enforcing law and order in urban areas. Whereas the dominant school of thought among law enforcement entities had been that what limited resources agencies had should be directed towards combatting only the most violent crime, Wilson and Kelling put forth a diametrically opposite argument.

They argued that extra care needed to be put into combatting petty crime, because letting those crimes go unchecked would telegraph a message that unlawfulness was tolerated in those communities, leaving people more inclined to commit more heinous crime. As the authors put it, “[S]erious street crime flourishes in areas in which disorderly behavior goes unchecked” (Wilson and Kelling 1982). When people walk down the street and observe wandering drunks and unruly teenagers, the authors argue, those individuals get the sense that they are moving through an area in which disorder reigns. This will ultimately discourage them from going out in public freely, diminishing the number of eyes on the street which in turn leaves the community less safe. Go after the petty crime, they assert, and passersby and would-be criminals alike will get the message that disorder is not tolerated.

By their own forthright admission, however, their policy is wholly rooted in perception. The case study they hold up is of a walking-beat cop in Newark. They acknowledge that the practice of having cops out on foot did not in fact lower crime, but residents nonetheless “tended to believe that crime had been reduced” (*Ibid.*, 1). This perception was enabled by having cops engaging face-to-face with people on the streets, investigating potential disorder more deeply than they would, were they simply looking on from their squad cars. They are able to exert more

absolute control over residents of those neighborhoods, even to the point where those activities “probably would not withstand a legal challenge” (*Ibid.*, 2).

There is a key point, here, that the authors leave vague but which has profoundly shaped the impact of these policies. The goal of Broken Windows policies is to shape perception, but whose perception? Certainly, the focus is on imparting the message to criminals that disorder is not tolerated, but they also espouse the need to convey this message to passersby. In the end, the authors assert that police ought to “protect communities as well as individuals” (*Ibid.*, 10). After three decades of Broken Windows, it is safe to say that this language is Orwellian.

The “community” that has been protected by these policies is the potential community that could be formed post-gentrification. For residents of low-income communities of color, heavy-handed and invasive policing has left them feeling less protected than ever. Just as Haussmann saw the city in terms of potential capitalization and the beautification of the built environment, Broken Windows policing has treated current inhabitants as impediments to the creation of a safer and more prosperous community, of which they will not be a part.

Lastly, the use of criminal justice as a vindictive means of reforming the poor also reminds us of the *revanchists* of Haussmann’s era. Indeed, Smith invokes this movement, in addition to the actions of Haussmann, as it epitomizes a fundamental shift in the ideology of urban economic development from ambivalence towards the poor to outright animosity. He chronicles rhetoric from anti-homeless initiatives in New York City, during the early 1990s, which highlighted the need to “take back” the city from low income residents who had “stolen” it (*Ibid.*). This antagonistic other-ing of the poor allows for the justification of dispersal, marginalization and displacement, rather than true uplift and endogenous development.

Conclusion

The analysis of this paper has traced the evolution of American society over the course of numerous ebbs and flows of integration and segregation. It has touched on a broad swath of policy areas, from housing policy, to lending practices and criminal justice. It has ultimately culminated in an examination of present American social dynamics, as seen through the lens of gentrification. To what end, does it survey this broad swath of American history? It does so to make a point about the development—or more accurately lack thereof—of black Americans, in the aggregate. It shows the persistence of poverty, inequality and violence, through phases of both government- and market-initiated integration and re-segregation. It does so in pursuit of determining which variable it is that has inhibited the ability of communities of color to plan, aspire and exercise agency, indicators of the sort of development that Sen and Appadurai extol.

That variable is power. At each stage of development, political and market mechanisms have conspired to keep black Americans in a subservient position. In the era of segregation, the FHA and its private counterparts exercised the power to use the market to maintain the “stability” of white neighborhoods, to determine where black Americans could live and to undermine the accumulation of assets that might have undergirded the social mobility of those black families. When that power network was prepared to entertain the idea of integration, it did so under the pretext that black Americans were depraved and pathological, in need of white tutelage. When it has decided to invest in blighted communities, it has done so in pursuit of a “higher and better use,” namely, a redeveloped neighborhood, free of its original inhabitants.

What has been missing from all of this is a fundamental reformation of our understanding of community. America has not been willing to move more radically towards sharing assets with individuals it once treated as assets. In the absence of such a radical, economic metamorphosis,

its political commitments to freedom and equality have begun to ring hollow. Even as it elects a black President, the country continues to use economic depravity as an indicator of social worth. Michael Brown would be alive, so the story goes, if he hadn't been such a "thug."

Simply put, black Americans cannot "Wish, want, need, plan or aspire" (Appadurai 2004), if they fundamentally lack faith that they will occupy the same home, be welcome in the same community, nor perhaps even be alive, tomorrow. True development for that community can only come when the United States begins building communities that are co-owned, co-governed and policed by cooperative eyes on the street. Until that day arrives, development in America will remain a shell game.

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